

PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program Implementation Grant, Round 2, 2013

Applicant	Rancho California Water District (RCWD)	Amount Requested	\$ 1,031,163
Proposal Title	Upper Santa Margarita Watershed IRWM Region R2 Implementation Grant	Total Proposal Cost	\$ 5,323,209

PROJECT SUMMARY

The proposal includes the following three projects with the following benefit types: water supply reliability, water conservation, climate change response actions, water quality improvement, habitat restoration, education and outreach, and improved recreation: (1) Recycled Water and Plant Conversion Project for HOA Common Areas, (2) Native Botanical Garden Project, and (3) Upper Valle de Los Caballos Recharge Project.

PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	12/15	Technical Justification	6/10
Budget	3/5		
Schedule	4/5	Benefits and Cost Analysis	18/30
Monitoring, Assessment, and Performance Measures	3/5	Program Preferences	8/10
Total Score (max. possible = 80)			54

EVALUATION SUMMARY

WORK PLAN

The criterion is fully addressed but is not supported by thorough documentation or sufficient rationale. The work plan includes goals and objectives of the proposal, a tabulated overview of the projects, including an abstract and project status, maps showing project locations, and linkages between projects. The tasks for all three projects are generally well described; however, some tasks do not provide sufficient information to determine how the project will be implemented. Task 7 for project 1 (pg. 3-26) notes that a traffic control permit is required for one of the Paloma Del Sol HOA sites to install lateral lines connecting the new recycled water meter to the recycled water mainline. There is no mention of the other two HOA sites or if lateral lines will need to be installed at the other two sites. In addition, for projects 1, 2, and 3, a table is provided for each task labeled "Activities or Deliverables" but whether or not the task is an actual activity or deliverable is not clearly identified. The narrative does not discuss deliverables. Project 1 does not include a discussion how the grantee will ensure continued maintenance for the newly installed landscaping materials, such as maintenance agreements.

BUDGET

Budgets for more than half of the projects have detailed cost information, but not all costs appear reasonable and supporting documentation is lacking for a majority of the Budget Categories. A narrative explaining how the project costs were estimated was not provided by the applicant making the reasonableness of the costs difficult to determine. For example, hourly rates and an estimate of the number hours to complete tasks are provided but no supporting information is included to explain the basis for the estimates. No rate sheets or bid documents are provided for contracting work for projects 1 or 2. The Budgets for projects 1 and 2 include a number of lump sums with no backup documentation or narrative explanation provided. For example, project 1 (page 4-12) Table 4-14 lists \$16,700 for Plan Check and Inspection to be completed by the applicant. A reference to an unattached estimate is the only additional information provided. It is difficult to determine the reasonableness of project costs because the applicant does not provide narratives explaining how project costs are estimated.

SCHEDULE

The criterion is fully addressed but is not supported by thorough documentation or sufficient rationale. The schedule demonstrates a readiness to begin construction or implementation of at least one project no later than October 2014. Tasks in the schedule are consistent with what is described in the work plan and Budget. The criterion is fully addressed but sufficient rationale to determine the reasonableness of the schedule is not provided. The schedule seems reasonable for projects 1 and 2; however project 3 has a significant time lapse of about 2.5 to 3 years between final design of grading improvements and well design, and construction of berm modification/pipeline installation and new well construction, respectively. It is difficult to determine the reasonableness of project 3 due to the large gap in time between design and construction, and missing interdependencies between tasks.

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is less than fully addressed documentation or rationales are incomplete and insufficient. For example, project 1 is missing targets and measurement tools for two of their project goals (pg. 6-7). There are no targets/measurement tools for the project goals of improving overall regional water use efficiency or improving water quality at Murrieta and Temecula Creeks. Project 3 is missing measurable targets for the stated goals of decreasing imported water supply and improving groundwater quality. The applicant states that there are no numeric targets for improving groundwater quality for this project and that it would be a monitoring exercise. Baseline groundwater quality data for targeted water quality improvement should be referenced and some estimates as to the amount of improvement the project might provide should be discussed. Water quality improvements can in fact be measured and quantified.

TECHNICAL JUSTIFICATION

The proposal appears to be technically justified to achieve the claimed benefits but lacks documentation that demonstrates the technical adequacy of the projects and physical benefits are not well described. The applicant does not provide information that clearly identifies and describes all physical benefits claimed in other section of the proposal. For example, project 3 claims a water quality benefit. The applicant failed to provide readily available baseline concentrations for total dissolved solids in groundwater or a detailed discussion of how the project will improve water quality. A brief description is provided in Attachment 8 (page 8-35). The applicant claims water quality benefits for two projects and in both cases provides no technical justification.

BENEFITS AND COST ANALYSIS

Collectively the proposal is likely to provide a medium level of benefits in relationship to cost and this finding is supported by detailed, high quality analysis and clear and complete documentation. This application includes three projects; project 1 would focus conservation on Home Owner Association (HOA) landscaping, Project 2 would expand an

existing native plant garden, and project 3 would allow Rancho California Water District to increase the amount of untreated imported water from Metropolitan used for recharge. The first two projects appear to be economical. However, the claim that the HOA project savings would displace only Tier 2 water is not well supported.

Project 3 accounts for 62% of requested funds and more than 95% of the Net Present Value of costs. For this project, claimed benefits (\$24.9 million) exceed claimed costs (\$15.8 million). Benefits are based on the additional import, recharge, recovery, and treatment to potable standards of 5,417 Acre Feet per Year (AFY). Benefits are based on the difference between Metropolitan's rates for treated and untreated water. The analysis does not allow for any losses; if losses are only 10 percent, then quantified benefits are less than costs.

PROGRAM PREFERENCES

Applicant claims that five program preferences and eight statewide priorities will be met with project implementation. However, applicant demonstrates high degree of certainty and adequate documentation for eight of the preferences claimed: (1) Include regional projects or programs ; (2) Effectively integrate water management programs and projects within hydrologic region identified in the CWP; RWQCB region or subdivision; or other region or sub-region specifically identified by DWR; (3) Contribute to attainment of one or more of the objectives of the CALFED Bay-Delta Program ((4) Drought Preparedness; (5) Use and Reuse Water More Efficiently; (6) Climate Change Response Actions; (7) Expand Environmental Stewardship; and (8) Protect Surface Water and Ground Quality.